



Department of Justice

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JUSTICE DEPARTMENT REQUIRES RESTRUCTURING OF WASTE MANAGEMENT AND ALLIED WASTE INDUSTRIES DEAL

Divestiture Ensures Competitive Pricing in Broward County, Florida

WASHINGTON, D.C. – The Department of Justice today required Waste Management Inc. to sell certain waste hauling assets before proceeding with its proposed multi-million dollar purchase of stocks and assets from Allied Waste Industries Inc. in Broward County and Palm Beach County, Florida. The Department said that the transaction, as originally proposed, would have lessened competition and resulted in higher prices for small container commercial hauling services in Broward County.

The Department's Antitrust Division filed a lawsuit today in U.S. District Court in Washington, D.C. to block the proposed transaction. At the same time, the Department filed a proposed consent decree that, if approved by the court, would resolve the Department's competitive concerns and the lawsuit. The Florida Attorney General's Office joined in the lawsuit and proposed consent decree.

"Without the divestiture, consumers in Broward County, Florida would have paid higher prices for waste collection," said R. Hewitt Pate, Assistant Attorney General in charge of the Department's Antitrust Division. "This settlement ensures that competitive pricing for these services will be preserved."

Under the proposed consent decree, Waste Management must divest small container commercial hauling assets on certain routes in Broward County. In addition, Waste Management is required to notify both the Department and the State of Florida if, during the next four years, it proposes to acquire small container commercial hauling assets in Broward County.

Small container commercial hauling involves the collection of waste from commercial establishments such as retail stores, offices, and restaurants, and the shipment of the collected waste to disposal sites. In Broward County, Waste Management and Allied are two of only three significant firms that provide this service.

Waste Management, based in Houston, is the largest waste hauling and disposal company in the United States. In 2002, Waste Management reported revenues of \$11.1 billion.

Allied, which is headquartered in Scottsdale, Arizona, is the second largest waste hauling and disposal company in the United States. Allied reported sales of approximately \$5.5 billion in 2002.

As required by the Tunney Act, the proposed Final Judgment will be published in the Federal Register, along with the Department's competitive impact statement. Any person may submit written comments concerning the consent decree during a 60-day comment period to Maribeth Petrizzi, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, NW, Suite 3000, Washington, D.C. 20530 (202-307-0924). At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the Final Judgment upon finding that it serves the public interest.

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